

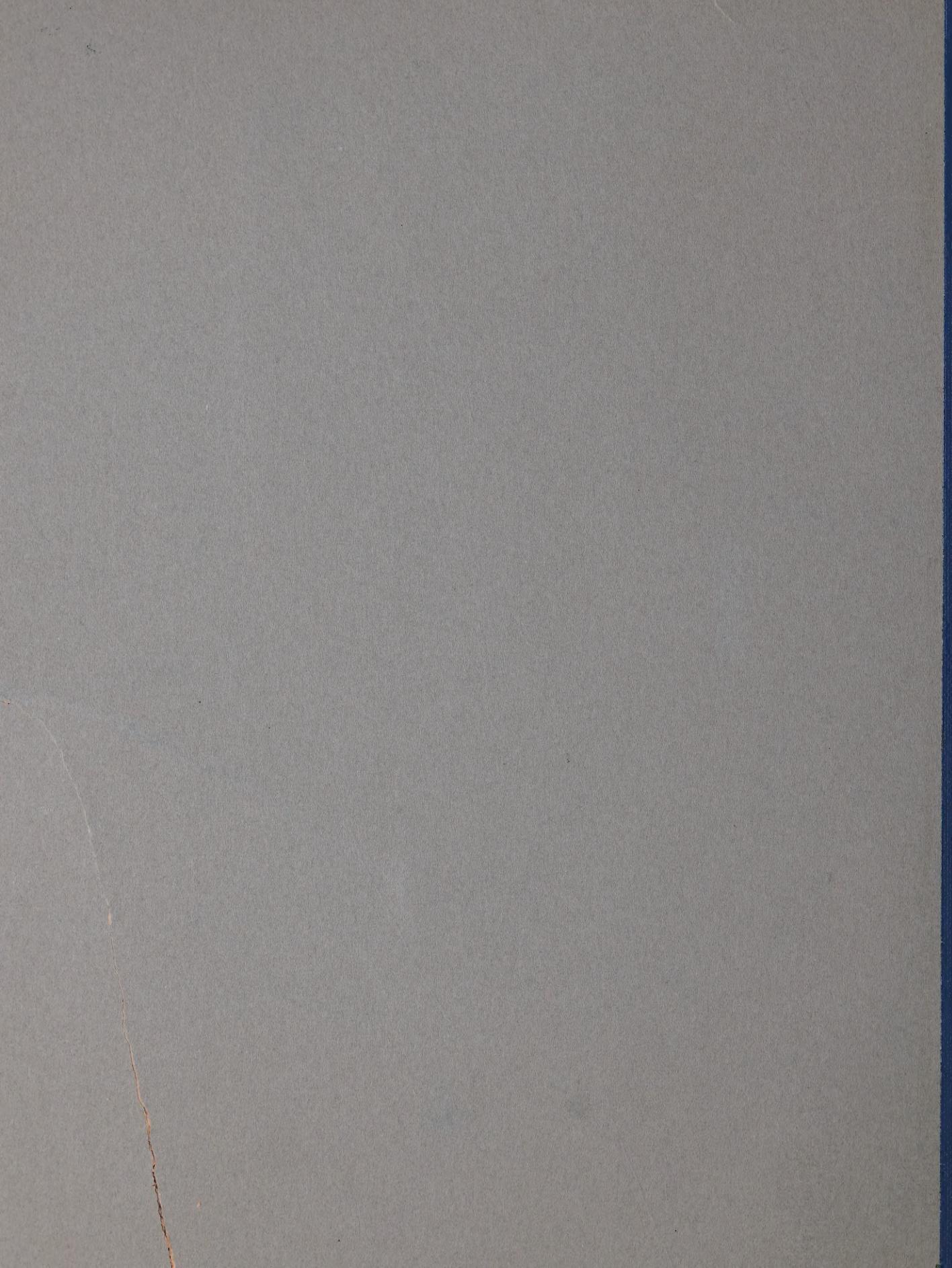
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Canada. Mutual Aid Board
Report.
2nd (1944/45)



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Canada
(CANADIAN)
MUTUAL AID BOARD

SECOND ANNUAL REPORT

to

MARCH 31 · 1945



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Canada
(CANADIAN)
MUTUAL AID
BOARD



SECOND (ANNUAL) REPORT
TO
MARCH 31, 1945

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1944/45

CANADIAN MUTUAL AID BOARD

HON. C. D. HOWE

Minister of Munitions and Supply, Chairman

HON. A. G. L. McNAUGHTON

Minister of National Defence

HON. J. L. ILSLEY

Minister of Finance

HON. J. G. GARDINER

Minister of Agriculture

HON. L. ST. LAURENT

Minister of Justice

HON. J. A. MacKINNON

Minister of Trade and Commerce

KARL C. FRASER

Director of Administration

CAPTAIN D. K. MAC TAVISH, R.C.N.V.R.

Secretary

MUTUAL AID TO THE UNITED NATIONS



This is the second report to Parliament of the Mutual Aid Board and covers the operations under the Mutual Aid Act for the year ended March 31, 1945. It describes the material aid given by Canada to her Allies during the climactic year of the war.

In it a dollar value is set upon the volume of Mutual Aid goods furnished by Canada during the past fiscal year. But the true worth of Mutual Aid can no more be estimated in dollars than can the heroism of Allied fighting men or the labour of war workers. The real value of Mutual Aid is that it has been, and will continue to be, a factor in the victories of the Allied armies.

When Canada sends raw materials to an Ally, it is impossible to know whether these will be trained against the enemy as a tank or an aircraft or a gun. But this much is sure: Canadian Mutual Aid supplies have made a significant contribution to the giant offensives of the past year that led to victory in Europe. Canadian-built ships have carried war supplies around the world. Canada has provided fighting armies with modern weapons and with the finest technical equipment. Canadian military vehicles, railway cars and locomotives, steel rails and other transportation equipment, have aided in the most vital task of moving supplies to the armies. Canadian Aircraft have bombed and strafed the enemy from the sky.

When an Allied fighting man hits the enemy he strikes a blow for Canada and for all the United Nations. When several men are fighting a common adversary they share their weapons. To do otherwise would invite defeat.

The enemies of democracy in this war knew that, by picking off small nations one by one, they had a chance of eventually defeating the largest and most powerful nations. And for a long and anxious time their plan seemed on the way to success. However, the leaders of the United Nations quickly recognized that the way to victory is through co-operation. Mobilization for war meant using to the full the combined power of the Allies to produce the weapons of war—food and munitions and transport. It also meant putting those weapons into the hands of the men who could use them, to the best advantage.

This code, which has brought the United Nations far along the road to final victory, underlies the Canadian war effort. Canada has been well and valiantly represented on the battlefields of the world by her Navy, Army and Air force. Canada also has brought the full force of her productive strength to bear against the enemy by providing supplies to her Allies under Mutual Aid.

A country small in population, Canada has for many years stood high on the list of the world's food-producing and industrial nations. But only during this war have Canadians learned for the first time the true productive capacity of their country. Month after month during the five and one-half years that this nation has been at war, production records have been shattered.

Mutual Aid is a device which has removed the dollar sign from obstructing the flow of Canadian aid to the battlefronts. Not dollars, but weapons are sent. Bullets delivered under Mutual Aid to the armies of Great Britain or Russia can hardly be called Canadian gifts to these countries—since the final recipients of the bullets are the enemies of Canada.

Mutual Aid and similar measures are making it possible to avoid the creation of huge inter-allied war debts which would hamper commerce after the war.

DISTRIBUTION OF SUPPLIES BY COUNTRIES

This report covers the fiscal period, April 1, 1944, to March 31, 1945. The end of March, 1945, marks the close of the second year of the Mutual Aid Board's operations. Those two years saw the fortunes of war swing to the side of the Allies. Those years also saw Canada's Mutual Aid insignia on guns and goods in every battle theatre in the world.

The table below indicates the distribution by countries of Canadian Mutual Aid supplies in dollar value during the fiscal years 1943-44 and 1944-45 (year beginning April 1 and ending March 31).

Country	MILLIONS OF DOLLARS		
	1943-44	1944-45	Total
AUSTRALIA	\$ 20.958	\$ 54.888	\$ 75.846
BRITISH WEST INDIES . . . . .	.874	3.882	4.756
CHINA	3.537	17.654	21.191
FRANCE	—	17.552	17.552
INDIA . . . . .	.482	14.181	14.663
NEW ZEALAND	—	7.796	7.796
UNION OF SOVIET SOCIALIST REPUBLICS	23.281	97.633	120.914
UNITED KINGDOM	722.821	719.235	1,442.056
 TOTAL MUTUAL AID	 \$771.953	 \$932.821	 \$1,704.774
 UNITED NATIONS RELIEF AND REHABILITATION			
ADMINISTRATION	—	11.093	11.093
C.M.A.B. ADMINISTRATION EXPENDITURES . . . . .	.025	.053	.078
 TOTAL EXPENDITURE	 \$771.978	 \$943.967	 \$1,715.945

As is seen in this table, the operations of the Mutual Aid Board during the year under review included the procurement and delivery of supplies for the United Nations Relief and Rehabilitation Administration (UNRRA). These activities are reported in a chapter at the end of this report.

DIVERSIONS

Strategic considerations have made it necessary for some war supplies transferred to Britain under Mutual Aid to be diverted to other United Nations after transfer. Wherever possible records of such diversions have been obtained and appropriate adjustments made in the records of the Board. For example: Certain aircraft originally produced for the use of the United Kingdom were diverted to the forces of Australia and New Zealand and the figures given in the report reflect these transfers. Some of these diversions occur in the course of actual military, naval or air operations when forces of several nations draw stores from a common pool. In these cases it is not possible to trace Mutual Aid supplies to their ultimate recipients. To attempt to do so would require elaborate bookkeeping arrangements in combat areas, and the attempt would probably fail. It would be a waste of valuable manpower and more expensive than would be justified by the information obtained.

BACKGROUND TO MUTUAL AID

Five and a half years have passed since Canada declared war against Germany. By every means of negotiation the democracies tried to avoid war. The enemy was willing to talk; he was willing to sign treaties. But all the time he was cutting down his weaker neighbours, preparing for the day when he would be strong enough to take on the great powers. His words were often conciliatory. But his actions bespoke a desire for world conquest.

One after another the nations of Europe were swallowed up by the enemy's war machine. Facing the aggressor, the United Kingdom stood virtually alone in Europe with only the overseas Commonwealth in arms beside her, and the valiant men and women of the resistance movements.

There were many dark days during the year and a half while the British Commonwealth held off the enemy. Other nations needed time to train their men, to mobilize their economic and industrial capacity for war. Canada's young men were training to take their place in the battle line. Her Navy, Army, Air Force and Merchant Navy were growing—a growth which has culminated in the present great strength of these four fighting arms.

Canada's geographical position allowed her to mobilize for war unhampered by enemy attack. Her great natural resources and industrial capacity made it possible for her to produce more of the goods of war than she could use. She was able to produce more food than Canadians could eat, more guns, planes and tanks than were needed by her fighting men.

The fact that Canada stood in little immediate danger of attack did not mean that there was no ultimate threat that the enemy would try to conquer Canada, as he had conquered so many other countries. Support of the United Kingdom, holding the enemy at bay in Europe, actually was the defence of Canada.

With this in mind the Canadian government took a decision which has been faithfully carried out—that Canada would not allow financial considerations to obstruct the vital flow to Britain of Canadian munitions, raw materials and foodstuffs.

Even before the passage of the Mutual Aid Act in May, 1943, the Government had ensured that Canadian war supplies would move freely to the battlefronts by an extension of financial assistance to the United Kingdom and through the United Kingdom to other Commonwealth and Allied nations. From the very beginning of the war, it was clear that Britain would have difficulty in securing sufficient Canadian dollars to purchase the war supplies which it needed from Canada. The policy of the Canadian Government, enunciated by the Minister of Finance in the House of Commons on March 20, 1941, makes clear Canada's determination that no shortage of Canadian dollars would impede the movement of necessary war supplies to the United Kingdom.

"It has been, and will continue to be, the policy of the Government to see that United Kingdom purchases in this country are not hampered by reason of any lack of Canadian dollars. We have seen, and will continue to see, that the problem of the deficit is solved."

Britain and the other sections of the sterling area, which constitute a unit for foreign exchange purposes, throughout the war have used their current receipts from Canada to pay for such Canadian supplies and services as they require, and which can be paid for by this means. Britain also has obtained some Canadian dollars to pay for Canadian supplies and services by selling gold or U.S. dollars to Canada, which Canada in turn has used to pay for substantial imports of war supplies required from the United States, particularly the American materials and components needed in the manufacture of war supplies for Britain. The remaining British and sterling area requirements in Canada, which could not be met out of current receipts (including expenditures of the Canadian forces abroad, and from the sale of gold and U.S. dollars to Canada) were dealt with by special financial measures up until the time of Mutual Aid.

The first of these special financial measures was the repatriation of Canadian Government and Canadian National Railways securities formerly held by residents of Britain. These securities were purchased by the British Government from the British residents for sterling. The Canadian Government, or in some instances the Canadian National Railways, then either repurchased or paid off these securities for Canadian dollars, thereby placing at the disposal of the British Government in Canada the equivalent value in Canadian dollars. The amount of such transactions finally totalled approximately \$700 million. In effect, Canada was by this means paying off its debts to Britain before they were due, in order that Britain could use such funds in meeting its Canadian requirements. A further \$100 million, approximately, was provided to Britain through the sale in Canada of other securities owned by British investors and purchased from them by the British Government.

The second special financial arrangement to help cover the deficit in British payments to Canada was a loan of \$700 million early in 1942, under the authority of the War Appropriation (United Kingdom Financing) Act. This loan does not bear interest during the war. The British Government has agreed to use any proceeds from the sale or redemption of remaining Canadian securities held in Britain to pay off this loan.

The third special arrangement to assist Britain in obtaining war supplies in Canada was of different and more complicated character. During the early years of the war, the British Government had joined with the Canadian Government in paying the cost of building special munitions plants of various kinds in Canada to produce war supplies for Britain. In 1943 the Canadian Government undertook to repay to Britain all the money which the British Government had expended for this purpose, so that Britain could use the funds for purchasing finished munitions rather than capital equipment. The result of this transaction was to place slightly more than \$200 million at the disposal of the British Government during 1943.

The fourth special measure taken to enable Britain and other Allied nations to obtain supplies was the contribution to Britain of \$1 billion worth of Canadian war products. This was provided under the War Appropriation (United Kingdom War Financing) Act of 1942, and was completed within the same calendar year. The British Government continued in this period to do its own purchasing through the Department of Munitions and Supply as its agent, and the funds provided under this Act were turned over to it as required to meet the cost of specified types of war supplies. During this period the British Government also was purchasing in Canada supplies for Australia, New Zealand, and other Commonwealth and Allied Governments and thus the contribution to Britain ultimately enabled other United Nations to benefit as well.

The total of the above measures of assistance amounts, it will be seen, to approximately \$2,700 million, which, when added to the total of \$1,800 million appropriated in 1943 and 1944 for Mutual Aid, makes a grand total up to that time of \$4,500 million. It will be noted that one-third of this sum is in the form of loans or other equivalent, whereas two-thirds is in the form of outright contributions.

It should also be noted that the Canadian Government, prior to Mutual Aid, in September, 1942, provided a credit of \$10 million to the Government of the U.S.S.R. for the purchase of Canadian wheat and flour.

Attention also is called to the fact that in addition to the provision of Mutual Aid, outlined in this report, Canada has shared with the United Kingdom and the United States in the costs of providing relief to liberated peoples of Europe through the military forces, insofar as the countries receiving such relief do not pay for it. Such relief costs have been regarded as an essential part of the combined military operations and have been met from the War Appropriation in the same manner as other costs of military operations. The share which Canada has borne has been commensurate with her share in the European operations.

There are two important distinctions between Mutual Aid and the previous arrangements by which Canada provided assistance to her Allies. The first difference is that under Mutual Aid this country has made direct arrangements with the Allied nations requiring supplies, rather than providing the assistance to the United Kingdom, and through the United Kingdom to the other nations. Under Mutual Aid, Allied nations wishing to obtain supplies from Canada make their request directly to the Canadian Government and the supplies are transferred directly to them in accordance with the Mutual Aid agreements entered into by these nations with Canada. The second important difference is that, whereas under previous arrangements Canada simply granted financial assistance in a general form to enable the United Kingdom, and through her other countries, to obtain what they required in Canada, under Mutual Aid the Canadian Board itself decides what supplies will be provided to countries making requests, and then proceeds to procure such supplies in Canada and to transfer these in accordance with the strategic

needs of the war at the time of the transfer. In this way the Canadian Government itself is able to consider requests not only in the light of the war situation as a whole, but also in the knowledge of the various competing requirements and the other demands on Canadian capacity.

MUTUAL AID SUPPLIES IDENTIFIED

Canadian goods shipped under Mutual Aid are moving to all battle theatres of the world. These supplies, including those shipped under UNRRA, are identified by the Mutual Aid seal, a facsimile of which appears on the cover of this report. Mutual Aid has been a factor in building for Canada good will which will contribute to a solid foundation for this country's international relations in time of peace.

CANADIAN TECHNOLOGY AND MUTUAL AID

Mutual Aid has been one vehicle by which the products of Canadian ingenuity and inventive genius have been made available to Canada's Allies. The list of Canadian contributions to war technology is long, but a few examples will illustrate how Canada has helped in this field.

Some of the inventions have been spectacular, with an appeal to the imagination. In radar, Canada was the first to develop and put into use an accurate anti-aircraft fire control radar set. Radar sets of specifically Canadian development, of a type similar to those which helped to save Britain from invasion, have been sent to several of the Allies under Mutual Aid. Canada pioneered in the field of developing radar sets suitable for deployment in mountainous areas. Some of these sets, shipped under Mutual Aid, will be of special use in the Far Eastern theatre. Heat and humidity have been a constant hindrance to proper radar operation and Canadian engineers were among the first to design radar equipment to meet tropical conditions.

The Canadian-developed universal trestle, an intermediate support for the Bailey bridge, has been sent to the United Kingdom under Mutual Aid. This development has greatly lessened the difficulty in crossing very wide rivers. British troops have crossed the Rhine on bridges supported by the Canadian universal trestle.

There are other, less spectacular, developments hardly less important to military operations. One of these is packaging. Canada has led in the development of packaging methods to ensure the safe delivery of all sorts of military supplies in good condition in every type of climate. How much equipment and goods have been saved by Canadian packaging, provided to the Allies under Mutual Aid, cannot be estimated.

In a war in which the lessening of the weight carried by the soldier, or by the vehicle, is of the greatest importance, Canadian developments in the field of light metals have been of great value to efficiency of military operations.

Canadian military engineers have been specially successful in the development of military vehicles. The armoured snowmobile, designed primarily for snow operations, has been adopted for other uses. This vehicle, which has specially designed wide tracks giving it a very low ground pressure, has been shipped under Mutual Aid. Armoured snowmobiles were sent to the forces in Italy.

MUTUAL AID ADMINISTRATION

In carrying out the tasks assigned to it, the Mutual Aid Board has avoided, as far as possible, the setting up of new governmental machinery. How successful this policy has been is indicated by the fact that there were only 23 persons on the Board's administrative payroll at the end of March, 1945. This included the division in charge of procurement of supplies in Canada for UNRRA.

The administration itself includes a director appointed by order-in-council in July, 1943; a senior assistant to the director, on loan from the Department of Trade and Commerce, and three assistants to the director, one of whom is an ordnance officer on loan from the Army. The Chief Treasury Officer of the Department of Munitions and Supply acts in the same capacity for the Board, and the accounting for the Board is done by the Treasury and the various procuring departments.

NATURE OF WORK

The administration is concerned with the central direction of the work arising from the Board's operations. This includes receipt and examination of programs and spot requests for war supplies under Mutual Aid, consultation with other departments and agencies about the availability of supplies and the essentiality of the requirements, clearance with Washington agencies to avoid duplication of requests, placing of requisitions with the proper procurement agencies, certification of documents and authorization of payment and, in some instances, arrangement of assembly, storage and delivery of the supplies. The detailed work of procurement is carried out by the Departments of Munitions and Supply, Agriculture, Trade and Commerce, Fisheries, and latterly, the Canadian Export Board. The Mutual Aid administration itself arranges for the procurement of, and payment for, certain items which do not fall within the field of operations of any of these other existing agencies—for example, ships' stores and supplies for the cargo vessels of the U.S.S.R.

INTER-DEPARTMENTAL COMMITTEE

It was considered desirable that senior officials of those Government departments and agencies concerned with Mutual Aid matters should be nominated as liaison officers for consultation with the administration. To facilitate the work of such officers, an Inter-departmental Committee on Mutual Aid was established to include representatives of the Departments of External

Affairs, National Defence, Finance, Munitions and Supply, Agriculture, Fisheries, Trade and Commerce, and of the Wartime Prices and Trade Board, along with the Director of Administration of the Mutual Aid Board and his assistants, including the Secretary of the Board.

WASHINGTON ADVISORY COMMITTEE

Mutual Aid operations require many consultations with various United States authorities, including the Army, the Navy, the Foreign Economic Administration, and various specialized agencies. The operations also call for a substantial number of contacts with the Combined Boards in Washington, including particularly the Munitions Assignment Board, and also contacts with certain of the British Missions and officers stationed in Washington. To facilitate the orderly disposition of much of this work, a Washington Advisory Committee was established. It has included the Chairman of the Canadian Joint Staff, the Ambassador, the Resident Deputy Canadian Member of the Combined Production and Resources Board, the Director-General of the Washington Office of the Department of Munitions and Supply, and the Financial Attaché of the Embassy, with a secretary on loan from the Department of Trade and Commerce.

JOINT WAR AID COMMITTEE

To deal with certain Mutual Aid problems a continuing agency of consultation with the United States Government was necessary.

As a consequence, the President of the United States and the Prime Minister announced the appointment of a Joint War Aid Committee of the United States and Canada "to study problems which arise out of the operations of the Canadian Mutual Aid Board and the United States Lend-Lease programs, and where necessary to make recommendations to proper authorities". On the Canadian side, this joint committee includes the members of the Washington Advisory Committee of the Mutual Aid Board, and on the American side it includes members from the Army, the Munitions Assignment Board, the War Production Board, the Foreign Economic Administration, and the State Department. The Committee has two secretaries, one American and the other Canadian.

MUNITIONS ASSIGNMENT COMMITTEE

Military supplies produced in Canada and in relatively short supply are subject to a process of assignment each month among the various military claimants, on the basis of immediate strategic need. The destinations to which each month's production will be sent are determined at a meeting in the preceding month attended by representatives of all the forces with competing claims, who "bid" for the output they need. This last-minute determination of shipments overrides the contractual interests of the competing claimants and permits a continuing review of the disposal of military supplies in the light of the latest strategic plans.

A committee in London handles work of this kind in relation to British, India and Dominion requirements, and in Washington directly under the Combined Chief of Staff, the Munitions Assignment Board deals with American, British and other requirements of American supplies. In Canada, the Canadian Munitions Assignment Committee deals with the assignment of Canadian items. To this committee the various needs for assignable Canadian products are presented and the disposition of the next month's production worked out. The Director of Administration of the Mutual Aid Board became a member of this Committee in order to bid for supplies on behalf of the countries, other than Canada, not already represented through the British Army Staff, or the United States War Department.

EFFECT ON CANADIAN ECONOMY

All lists of requirements are considered not only to determine essentiality, but also to assess the effect on the Canadian economy. Two committees are consulted, the External Trade Advisory Committee and the Food Requirements Committee.

The External Trade Advisory Committee comprises representatives of thirteen Government departments and agencies. The Committee has the duty and authority of serving as a medium for consultation between Government departments and agencies on questions concerning export and import trade and of recommending on matters relating to wartime export and import trade or to trade during the period of transition to peace. Also it is to consider and make recommendations concerning supply questions relating to Canadian participation in the work of relief and rehabilitation. All non-munition items, except food, are cleared through this Committee. The Food Requirements Committee, which is representative of seven Government departments and agencies, functions in a similar way in regard to foodstuffs.

NATURE OF GENERAL PROCEDURE

Applications for Mutual Aid from Canada are made in the first instance to the Department of External Affairs. The applications are considered by that Department from the point of view of Canada's international policy.

Detailed requests are then furnished to the administration of the Board. Wherever possible, an attempt is made to get a complete program in advance for study and presentation to the Board, but changing circumstances inevitably lead to requests for many individual spot items as well.

The possibility of providing the various items requested is then studied in detail by the various Government agencies concerned, as provided

in the Board's regulations. The strategic essentiality is considered by the Navy, Army and Air Force authorities in most cases of importance, and by other agencies as the Board directs—for example, by the Food Requirements Committee with regard to foodstuffs. In some instances, the views of the Washington Advisory Committee are obtained.

Financial aspects of programs and arrangements, including the ability of various countries to pay for supplies from Canada, are considered by the Department of Finance.

The programs, or specific items, are then taken to the Board for consideration in the light of the information and advice from the administration and other agencies concerned. The programs and items approved by the Board as Mutual Aid are then passed on by the administration to the various procurement departments.

Funds are advanced from the Mutual Aid appropriation, as required, to the procurement departments to meet the cost of the supplies requisitioned by the Board. In the case of supplies going to the U.S.S.R., China and the French Committee, the Mutual Aid administration makes the necessary arrangements for shipment.

BRITISH COLUMBIA

SHIP BUILDING and REPAIRS
METALS and MINERALS
AIRCRAFT
GUNS
MUNITIONS
WAR VEHICLES
MEAT
FISH and FISH OILS
FLOUR
VEGETABLES and SEEDS
LUMBER
PULP and PAPER PRODUCTS
CHEMICAL FERTILIZERS
DAIRY PRODUCTS

SOURCES OF MUTUAL AID SUPPLIES



QUEBEC

SHIPBUILDING
(a) WAR SHIPS
(b) MERCHANT SHIPS
AIRCRAFT
WAR VEHICLES
RAILROAD EQUIPMENT
GUNS and SMALL ARMS
MUNITIONS and EXPLOSIVES
MEAT DAIRY PRODUCTS
FLOUR VEGETABLES and SEEDS
ALUMINUM ASBESTOS and OTHER MINERALS
LUMBER TEXTILES
FISH MACHINE TOOLS

PRINCE EDWARD I.

SEEDS
FISH
VEGETABLES

NEW BRUNSWICK

SHIPBUILDING and REPAIRS
FISH
VEGETABLES and SEEDS
LUMBER
MINERALS

PA-C

ONTARIO

SHIPBUILDING and REPAIRS
FISH
VEGETABLES and SEEDS
LUMBER
MINERALS

NOVA SCOTIA

SHIPBUILDING and REPAIRS
FISH
VEGETABLES and SEEDS
LUMBER
MINERALS

ALBERTA

EXPLOSIVES
MEAT
WHEAT
FLOUR
DAIRY PRODUCTS
VEGETABLES and SEEDS
LUMBER
CHEMICAL FERTILIZERS
MINERALS

SASKATCHEWAN

GUNS
SMALL ARMS
MUNITIONS
MEAT
WHEAT
FLOUR
VEGETABLES and SEEDS
LUMBER
MINERALS
DAIRY PRODUCTS

THE UNITED KINGDOM

Mutual Aid to the United Kingdom continued to move forward in large quantities during the past year. Provided under the agreement were vast quantities of automotive equipment and mechanical transport, shells and ammunition, aircraft and parts, tanks and other fighting vehicles, merchant and naval vessels.

A substantial proportion of the food requirements of the British people has been met by Mutual Aid shipments of bacon, cheese, beef, lamb, mutton, and other foodstuffs.

Raw materials for the factories and workshops of the United Kingdom were included in the list of items shipped during the year under review.

Under the terms of the Mutual Aid agreement, the title to ships produced for Britain remains with Canada. More than 100 cargo ships have been made available to the United Kingdom under Mutual Aid, and a substantial number of transport ferries also are being built.

Hundreds of Lancasters, Mosquitos, Catalinas and other aircraft have been sent to Britain. Canada is preparing to manufacture Lincoln aircraft, a larger and improved version of the famed Lancaster heavy bomber.

Specialized equipment developed and manufactured in Canada, shipped to the United Kingdom under Mutual Aid, includes such items as hose and other parts for flame throwers, flame thrower fuel, anti-aircraft gun mounts, pistols and other small arms. Canadian-developed light anti-aircraft equipment is being shipped to the United Kingdom under Mutual Aid; this will be of special value in jungle warfare. The Canadian-designed Sexton, one of the few self-propelled guns in use by the British Army, was shipped under Mutual Aid, and has been in action in Germany. Another wholly Canadian-developed military vehicle, made available to the United Kingdom under Mutual Aid, is the 1500-weight armoured personnel carrier, which has been in battle use in western Europe.

SUPPLIES PROVIDED

The following tabulation shows the quantities of the chief types of supplies provided to Britain by Mutual Aid for the year under review and the previous year. It should be noted that these are the quantities shipped by the producers during the period and do not correspond exactly with payments made for such classes of supplies up to March 31.

		1943-44	1944-45
AIRCRAFT			
Lancasters	units	42	43
Mosquitos (bombers)	units	102	89
Harvards	units	271	429
Cornells	units	254	149
PB-2B1 Boeings	units	98	21
Parachutes	units	—	56,812
Aircraft spares and miscellaneous		\$13.5 mil.	\$10.6 mil.
AMMUNITION			
Gun ammunition (filled)	thousands of rounds	10,682	10,337
Gun ammunition (components)	thousands of rounds	2,989	835
Small arms ammunition (components)	thousands of rounds	541,806	231,319
ARMOURED FIGHTING VEHICLES			
Universal carriers	units	2,014	1,051
Armoured cars	units	202	366
Reconnaissance armoured cars	units	3	94
25 Pdr. self-propelled mounts	units	762	235
Armoured reconnaissance trucks	units	94	276
Spares		\$12.0 mil.	\$2.6 mil.
Chemicals	lbs.	92,648,000	107,159,000
Explosives	lbs.	17,536,000	6,717,000
Gun cotton slabs	units	—	100,000
Gun cotton primers	units	—	50,000
Pyrotechnics	units	59,100	529,516
FARM IMPLEMENTS			
Ploughs	units	2,898	155
Drills	units	1,000	668
Binders	units	1,845	895
Threshers	units	205	580
Hammer mills	units	731	—
Mowers	units	—	125
GUNS, MACHINE GUNS AND SMALL ARMS			
Gun barrels and mounts—Army	units	12,153	942
Gun barrels and mounts—Navy	units	2,133	1,495
Bren	units	39,149	6,618
Browning	units	2,348	—
2" Trench mortar	units	600	1,701
Rifle No. 4	units	143,325	55,284
2" Bomb thrower	units	690	—
Sniper rifles	units	9,393	85
Bren machine gun magazines—100 rounds	units	21,647	—

		1943-44	1944-45
GUNS, MACHINE GUNS AND SMALL ARMS (continued)			
Bren magazines—50 rounds	units	302,400	130,838
Barrels, Vickers	units	—	9,000
Sten carbines	units	—	100
20 mm. Polstens	units	—	9,897
Instruments—various		\$29.1 mil.	\$14.7 mil.

AUTOMOTIVE VEHICLES

Field artillery tractors	units	2,561	1,277
Light anti-aircraft tractors	units	100	40
4 x 4 Trucks	units	27,672	12,410
4 x 2 Trucks	units	49,200	24,077
Trailers	units	2,995	2,276
Spares		\$43.0 mil.	\$37.8 mil.

SIGNALS

Cables, field, telegraph	miles	1,170	—
Direction finders	units	9	148
Lamps	units	1,250	720
Charging sets	units	19,964	—
Receivers	units	2,422	3,385
Switchboards V.C. 10 line	units	2,169	276
Telephones and loud speakers	units	7,251	1,177
Transmitters	units	131	402
Wireless and radio sets	units	16,392	11,099
Instrument kits	units	4,411	10,648
Wavemeters	units	493	140
Transformers	units	—	2,625,700
Radio tubes	units	—	883,849
Plugs and sockets	units	—	398,887
Miscellaneous	units	—	\$8.0 mil.

MISCELLANEOUS

Battledress, blouses	units	465,000	102,873
Battledress, trousers	units	605,000	177,729
Greatcoats	units	230,000	25,513
Woollen gloves	pairs	101,000	58,480
Woollen drawers	units	76,000	—
Woollen shirts	units	58,000	—
Caps (comforters)	units	507,000	—
Caps (Navy)	units	—	16,682
Ground sheets	units	—	50,000
Blankets	units	—	9,951

TWINE AND YARN

Binder twine	lbs.	4,000,000	—
Nylon yarn	lbs.	—	351,142

			1943-44	1944-45
METALS				
Ferro-silicon alloys	long tons	1,415	—	—
Ferro-chrome (electrolytes)	long tons	675	—	—
Magnesium ingots	long tons	1,703	774	
Silicon	long tons	3,000	—	
Ingots, primary	long tons	—	3,234	
Tool, steel	long tons	—	29	
Aluminum foil	long tons	—	176	
White arsenic	long tons	—	193	
Magnesium powder	long tons	—	682	
Bomb alloy	long tons	—	341	
Primary	long tons	—	1,171	
SHIPS				
Minesweepers, Algerine	units	2	—	
Minesweepers, wooden	units	6	4	
Military landing craft	units	534	509	
Other small craft	units	375	571	
60' Steel diesel tugs	units	23	45	
65' Wooden tugs	units	5	8	
Western Isles minesweepers	units	16	—	
10,000-ton cargo vessels	units	90	11	
4,700-ton cargo vessels	units	1	—	
4,700-ton cargo, William Gray type		—	\$3.9 mil.	
FARM PRODUCTS				
Cheese	lbs.	73,502,482	18,518,879	
Butter	lbs.	7,048,506	—	
Milk, evaporated	cases	—	17,822	
Bacon and meat	lbs.	411,373,755	256,387,291	
Offals and casings	lbs.	—	3,298,292	
Eggs, dried	lbs.	4,361,752	5,918,540	
Eggs, shell	cases	—	46,884	
Seeds, garden and forage	lbs.	1,058,599	1,030,573	
Apples, fresh	boxes and bbls.	361,000	20,228	
Apples, dried	lbs.	—	3,587,064	
Poultry	lbs.	253,699	—	
Vegetables, dehydrated	lbs.	2,859,717	7,213,290	
Vegetables	cases	—	1,000	
Dried beans	lbs.	—	3,265,270	
Wheat	bushels	24,136,857	22,748,268	
Flour	bags	2,208,516	5,983,488	
Linseed oil	lbs.	2,613,520	9,596,160	
Oatmeal	lbs.	—	3,316,160	
Rolled oats	lbs.	—	14,642,880	

		1943-44	1944-45
FISH			
Canned salmon.....	.cases	669,855	—
Canned salmon.....	.lbs.	—	428,400
Canned herring.....	.cases	269,155	—
Canned herring.....	.lbs.	—	13,999,200
Frozen fish.....	.lbs.	2,859,717	7,751,400
Salt fish.....	.lbs.	—	71,600

MUTUAL AID EXPENDITURES

The expenditures from the Mutual Aid appropriation on war supplies to Britain during the fiscal year ended March 31, 1945, and for the previous year comprise the following sub-totals:

		MILLIONS OF DOLLARS		
		1943-44	1944-45	Total
<i>(a) Munitions and Military Supplies, including Ships:</i>				
Aircraft and parts.....		\$ 34.532	\$100.917	\$135.449
Automotive equipment and mechanical transport...		81.139	214.224	295.363
Armoured vehicles and tanks.....		43.522	42.473	85.995
Chemicals and explosives.....		12.275	6.968	19.243
Guns and small arms.....		61.262	20.918	82.180
Shells and ammunition.....		80.341	104.265	184.606
Merchant vessels—construction.....		158.829	41.774	200.603
Merchant vessels—repairs and servicing.....		.219	.007	.226
Naval vessels and equipment.....		12.298	17.858	30.156
Cloths, clothing and fabrics.....				{ 12.913
Electrical, radio and telephone equipment.....		59.703	27.441	{ 61.480
Lumber and heavy equipment.....				{ 6.201
Small tools, stores and miscellaneous.....				{ 6.550
Base metals.....		3.079	1.357	4.436
Locomotives and rolling stock.....		—	.096	.096
Freight, inland and ocean.....		6.681	7.585	14.266
<i>(b) Foodstuffs and Farm Products:</i>				
Machinery.....		—	2.338	2.338
Canned salmon.....		5.711	.194	5.905
Canned herring.....		1.424	1.654	3.078
Frozen and salt fish.....		.434	1.337	1.771
Wheat.....		34.341	32.150	66.491
Flour.....		10.055	18.119	28.174
Rolled oats.....		—	.628	.628
Oatmeal.....		—	.300	.300
Linseed oil.....		.286	1.272	1.558
Bacon.....		83.947	49.804	133.751
Canned pork.....		3.603	1.354	4.957

	MILLIONS OF DOLLARS		
	1943-44	1944-45	Total
Offals.....	\$.981	\$.361	\$ 1.342
Casings.....	.279	.429	.708
Beef.....	.803	6.725	7.528
Lamb and mutton.....	—	.240	.240
Cheese.....	15.541	4.215	19.756
Butter.....	2.994	—	2.994
Milk.....	—	.095	.095
Eggs.....	5.251	8.236	13.487
Dehydrated vegetables.....	1.747	2.749	4.496
Fresh apples.....	1.252	.061	1.313
Garden seeds.....	.024	.020	.044
Forage crop seeds.....	.268	.285	.553
Dried apple rings.....	—	.581	.581
Dried beans.....	—	.202	.202
Canned corn.....	—	.003	.003
TOTAL EXPENDITURES.....	\$722.821	\$719.235	\$1,442.056

Not all war materiel shipped to Great Britain went under Mutual Aid. Large quantities of war munitions, raw materials and food were purchased. Statistics for these purchases during the year under review and the previous year are given below:

UNITED KINGDOM EXPENDITURES AND RECEIPTS IN CANADA (Excluding Mutual Aid)

	MILLIONS OF DOLLARS	
EXPENDITURES:	1943-44	1944-45
Munitions and military supplies.....	\$ 342	\$ 799
Foodstuffs.....	252	341
Base metals.....	149	90
Lumber and other wood products.....	81	95
Other Canadian exports.....	72	50
War services (including R.A.F. pay, naval expenditures, inspection, internment, etc.).....	101	96
Freight services and shipping.....	116	122
Other purposes.....	20	32
TOTALS.....	\$1,133	\$1,625

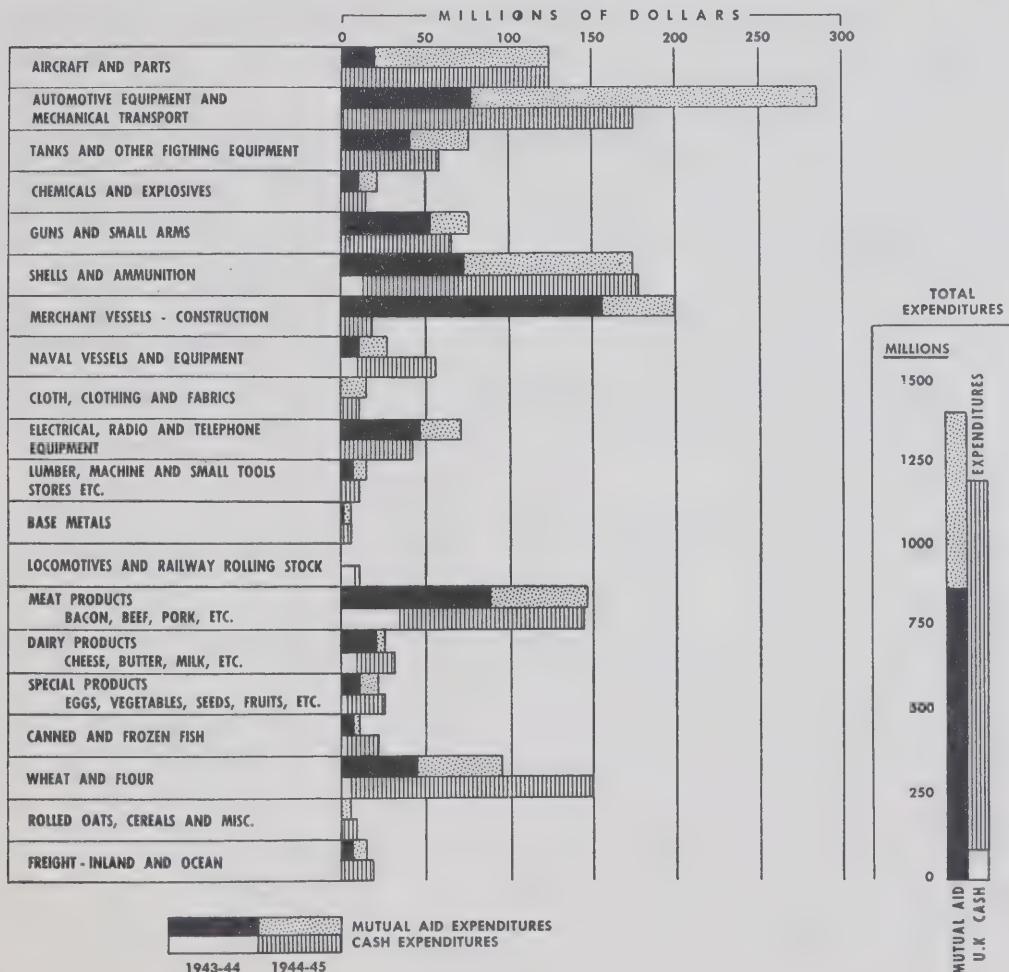
	MILLIONS OF DOLLARS	
RECEIPTS:	1943-44	1944-45
British exports to Canada.....	\$ 100	\$ 94
Receipts for freight services.....	38	32
Interest and dividends.....	59	60
Other current receipts.....	38	48
Capital receipts, less capital payments not shown elsewhere.....	26	16
Payments by Canadian forces overseas.....	530	1,282
Adjustments of intergovernmental transactions, sales of non-sterling exchange and changes in official balances (net).....	38	183

RECEIPTS (continued)

MILLIONS OF DOLLARS
1943-44 1944-45

Sale of U.K. equity in Canadian war plants to the Canadian Government.....	\$ 165	\$ —
Cash withdrawals from working capital funds formerly advanced to Department of Munitions and Supply and contractors.....	190	—
Deduct: Net balance of Canadian dollars required by sterling area other than the United Kingdom and furnished from United Kingdom dollar pool... —	61	.91
TOTALS.....	\$1,123	\$1,624
Add: Apparent errors and omissions.....	10	1
TOTALS (Equal totals of payments in preceding table).....	\$1,133	\$1,625

UNITED KINGDOM

MUTUAL AID AND CASH EXPENDITURE - SEPTEMBER 1ST 1943 TO MARCH 31ST 1945

U. S. S. R.

With the launching of the final great drives of the Red Armies into Germany, the war needs of the U.S.S.R. became much heavier. As one of the war arsenals of the United Nations, Canada has spared no effort to do her share to supply the victorious Soviet forces.

Canadian Mutual Aid to the Soviet Union during the fiscal year 1944-45, amounted to \$97,633,000, or more than three times that of the previous fiscal year. This figure covered a wide range of war munitions, raw materials and foodstuffs.

As the Red Armies fought their way across Europe from the east, their supply lines became longer. This factor, coupled with demolition of railways, roads, rolling stock and vehicles by the retreating Germans, presented the Russians with a gigantic transportation problem. Canadian shipments of military vehicles and steel rails have been of assistance in meeting this problem.

Canada has provided Soviet factories during the past fiscal year with industrial equipment, as well as with large quantities of raw materials for war production.

Flour, wheat, lard and rolled oats in large amounts have been sent to the Soviet Union to maintain adequate supplies for the armed forces. During the period when the richly agricultural Ukraine was under German control, Canadian grains played a substantial part in filling the gap in food supplies.

But that is not the whole story of Mutual Aid to Russia. Merchant vessels and ice breakers of the Soviet Union have been serviced and repaired in Canadian Pacific coast ports. This includes revictualling, provision of sailors' clothing, deck stores, and engine room stores, refuelling and generally making the ships seaworthy.

Canada has undertaken to produce minesweepers for Russia under Mutual Aid, and Soviet crews are being trained in Canada to man these ships.

Mutual Aid sent to the Soviet Union has been acknowledged with gratitude by Soviet workers and fighting men.

Commodities shipped to the U.S.S.R. during the year 1944-45 and during the previous fiscal year:

ARMoured Fighting Vehicles, etc.	FISCAL YEARS		
	1943-44	1944-45	Total
Universal carriers	units	44	— 44
Valentine tank spares	sets	—	6 6

		FISCAL YEARS		
		1943-44	1944-45	Total
MECHANICAL TRANSPORT				
Workshop lorries.....	units	340	1,204	1,544
Snowmobiles.....	units	—	6	6
Motorcycles.....	units	—	500	500
CHEMICALS AND EXPLOSIVES				
Explosives.....	tons	2,404	12,676	15,080
CRANES AND HOISTS				
Cranemobiles.....	units	—	152	152
Air hoists.....	units	—	350	350
Used C.I.R. hoists.....	units	—	3	3
Drum hoists.....	units	—	3	3
ELECTRICAL EQUIPMENT				
Motors and controls.....	sets	—	45	45
MEDICAL SUPPLIES				
Miscellaneous.....	tons	34	—	34
Penicillin.....	milliard Oxford units	—	5	5
MACHINE TOOLS				
Lathes, shapers, planers, etc.....		91	370	461
Complete shell plants.....		—	3	3
TOOLS AND INDUSTRIAL MACHINERY				
Air compressors.....	units	—	43	43
Tips and blanks.....	tons	2	7	9
MISCELLANEOUS INDUSTRIAL EQUIPMENT				
Coal picks.....	units	—	200	200
Drillers 30".....	units	—	80	80
Bronze wire cloth.....	feet	—	3,300	3,300
Insulators.....	units	—	4,350	4,350
Used conveyors.....	units	—	5	5
Belting.....	feet	—	716	716
Wire rope.....	feet	—	4,053	4,053
Acetylene black.....	tons	—	135	135
SIGNAL EQUIPMENT				
Wireless sets.....	units	—	300	300
Wireless receivers.....	units	—	500	500
Signal cartridges.....	units	90,000	—	90,000
G. L. Mk. III Equipment.....	units	—	197	197

		FISCAL YEARS		
		1943-44	1944-45	Total
METALS				
Aluminum ingots.....	tons	13,477	23,809	37,286
Cadmium.....	tons	104	12	116
Nickel.....	tons	1,510	3,063	5,173
Ferro-silicon.....	tons	354	3,873	4,227
Ferro-chrome.....	tons	—	2,742	2,742
Ferro-tungsten.....	tons	—	154	154
Lead.....	tons	10,672	9,606	20,278
Alloy steel.....	tons	—	4,740	4,740
Zinc.....	tons	—	4,985	4,985
Aluminum tubing.....	tons	—	151	151
Aluminum rods.....	tons	—	732	732
Magnesium.....	tons	—	421	421
RAILWAY EQUIPMENT				
Rails.....	tons	13,756	43,998	57,754
Flat cars.....	units	—	183	183
FOODSTUFFS				
Wheat.....	tons	10,532	29,116	39,648
Flour.....	tons	112,230	243,883	356,113
Rolled oats.....	tons	—	4,548	4,548
Lard.....	tons	—	9,892	9,892
SEEDS				
Alfalfa.....	tons	—	355	355
Brome grass.....	tons	—	89	89

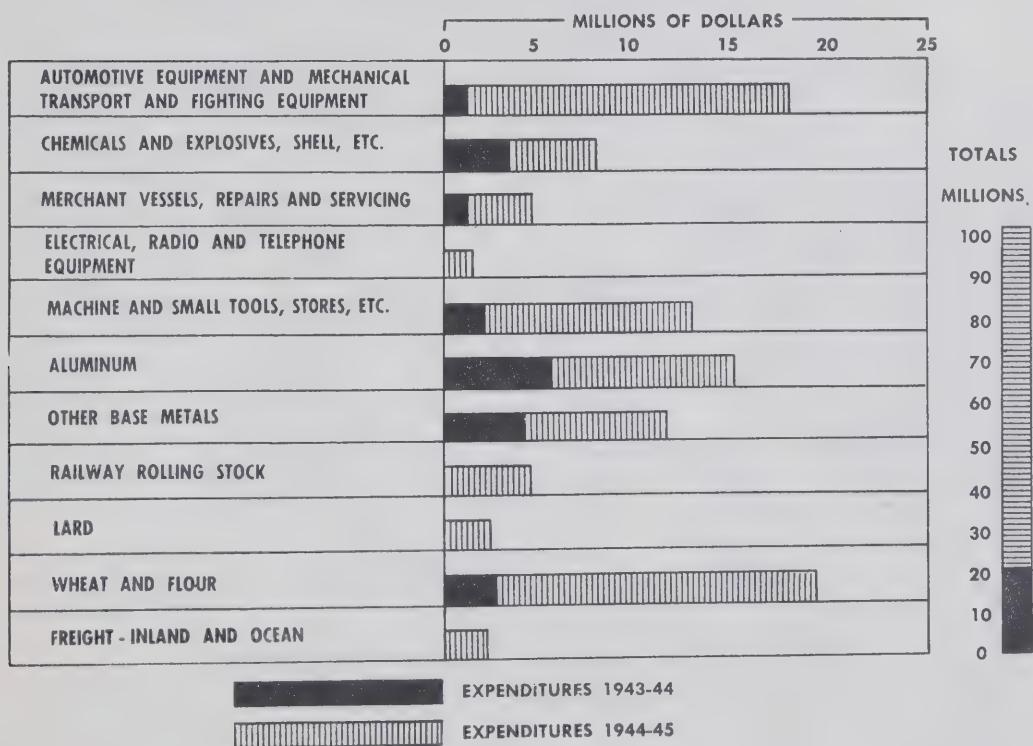
Note: All tons shown are 2,000 lbs.

Expenditures in Canada during the fiscal year ended March 31, 1945, and the previous years, comprise the following main categories:

	MILLIONS OF DOLLARS		
	1943-44	1944-45	Total
Automotive equipment and mechanical transport....	\$.702	\$17.474	\$18.176
Armoured vehicles and tanks.....	.617	.391	1.008
Chemicals and explosives.....	4.134	5.361	9.495
Guns and small arms.....	.011	.006	.017
Shells and ammunition.....	.012	.012	.024
Electrical, radio and telephone equipment.....	—	9.001	9.001
Lumber and heavy materials.....	—	2.678	2.678
Machine tools and heavy equipment.....	2.971	8.188	11.159
Small tools, stores and miscellaneous.....	—	1.382	1.382

	MILLIONS OF DOLLARS		
	1943-44	1944-45	Total
Aluminum.....	\$ 6.821	\$ 9.311	\$16.132
Other base metals.....	3.951	10.100	14.051
Railway equipment.....	—	6.189	6.189
Freight, inland and ocean.....	.119	2.790	2.909
Lard.....	—	2.653	2.653
Wheat.....	.223	1.374	1.597
Flour.....	2.568	15.592	18.160
Rolled oats.....	—	.295	.295
Miscellaneous.....	—	.003	.003
Repairing and servicing vessels.....	1.142	4.843	5.985
<hr/>			
TOTAL EXPENDITURES.....	\$23.281	\$97.633	\$120.914

U. S. S. R.
MUTUAL AID EXPENDITURES TO MARCH 31ST 1945



DISTRIBUTION OF MUTUAL AID

Union of Soviet
Socialist Republics

China

Burma

Philippine
Islands

New Guinea

Solomon Is.

Australia

Hawaiian Is.

New Zealand

Alaska

Союза
Союза

КАНАДА
ОТ

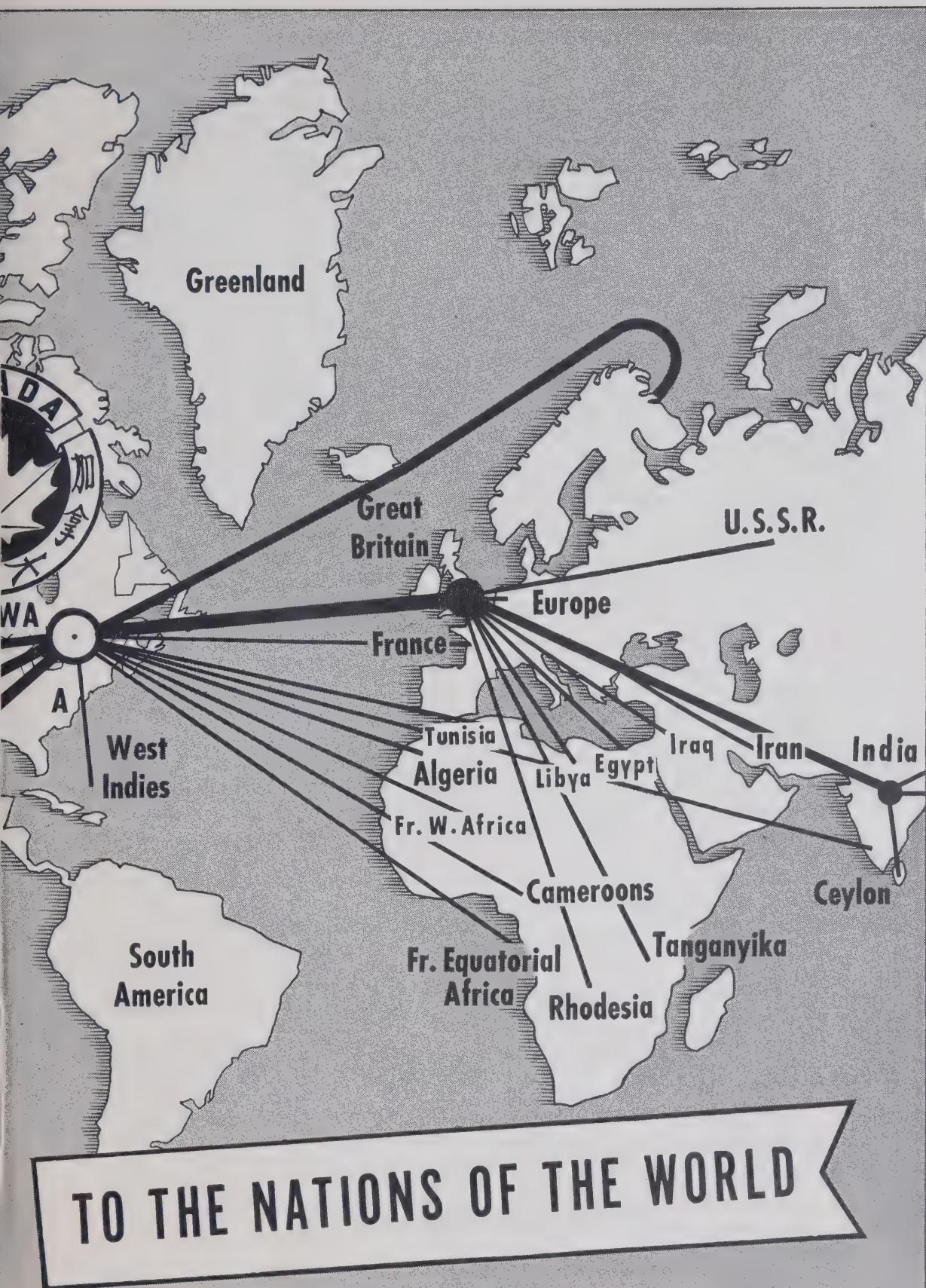
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PAR

A U S T R A L I A

The past year has thrown heavy burdens on Australia. Chief Allied base in the southwest Pacific, that Dominion is the supply centre for hundreds of thousands of Allied troops engaged in the struggle against Japan.

The spectacular island-hopping advances which have brought United States amphibious forces within striking distance of the Japanese home islands have overshadowed the campaigns in the jungles of the southwest Pacific. To the Australians went the assignment of clearing the Japs from New Guinea, New Britain and the Solomons—the 1,000 mile front by-passed by the Allied naval forces converging on Japan.

Canadian Mutual Aid has been an indispensable factor in enabling Australia to fulfil its heavy commitments. During the year under review, Mutual Aid to Australia has amounted to about \$54,888,000. or more than double the value of the previous year's commitments.

Canada has provided as Mutual Aid the training in Canada of Australian air and ground crews.

To enable Australia to begin production of Mosquito fighter-bombers, Canada has shipped specially required parts. Other aircraft and parts, plywoods, aircraft spruce and essential materials for use in Australian aircraft factories also have been sent.

When the Japanese drove down through the islands of the southwest Pacific to the outskirts of Australia, the Commonwealth had already prepared itself for total war. Civilian trucks were pressed into essential government service; and as trucks broke down under heavy use, the parts were removed and used to keep other trucks in operation. Australia, and consequently the military forces of all the Allies in the southwest Pacific, depended heavily on this dwindling fleet of trucks. Spare parts shipped under Mutual Aid were invaluable. At the same time Mutual Aid has provided Australian armed services with many thousands of military vehicles and spares.

The Australian production effort has been large, with heavy requirements for raw materials and technical equipment. Mutual Aid has supplied chemicals for munitions, tool steel, electrical equipment of practically all types, equipment for textile industries, and handtools.

Asbestos provided under Mutual Aid was processed into building materials for barracks to house troops in the Pacific war theatre.

Timber shipped from Canada was used in the construction of landing barges, bridges, ships, shipping boxes and other essential construction.

Canned fish for the armed forces, fish oils and other foodstuffs, as well as agricultural machinery and fertilizer were shipped, and thus Canada assisted materially in maintaining Australia's food supply.

A severe drought in Australia has seriously affected that continent and New Zealand. Normally a large exporter of wheat, Australia will grow

barely enough this year to take care of her own requirements. This has compelled New Zealand, normally an importer of Australian wheat, to turn to Canada for her 1945 requirements. Furthermore, Australia herself may ask Canada to provide cereals other than wheat.

Complete radar stations for use by the Australian forces have been furnished by Mutual Aid. And to maintain the Australian Government communication system Canada made available many items including electrical apparatus, cable, radio tubes and parts.

Through Mutual Aid, Canada has continued to lend ships to Australia. These are being used in Australian waters for inter-coastal and inter-island movement of essential goods. In addition, Canadian ships are carrying Mutual Aid cargoes to Australia as a Mutual Aid service.

Mutual Aid shipments to Australia during the years 1943-44 and 1944-45:

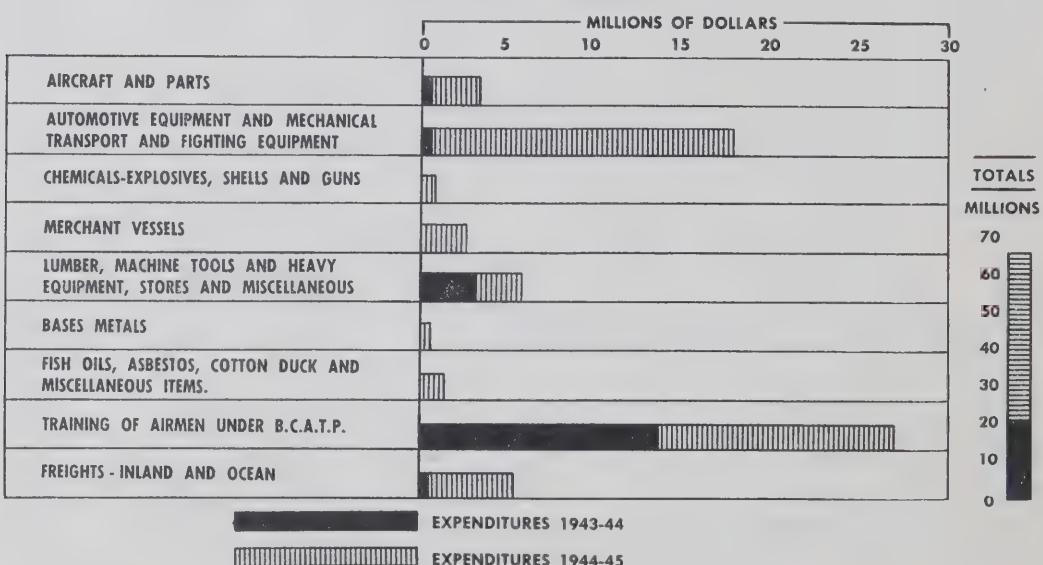
Commodity	Long tons
Aircraft and spare parts.....	1,454
Automotive equipment and mechanical transport.....	22,622
Armoured vehicles.....	325
Chemicals and explosives.....	5,213
Guns and small arms.....	322
Shells and ammunition.....	30
Naval vessels and equipment.....	79
Miscellaneous stores and supplies.....	1,946
Aluminum.....	2,014
Other base metals.....	10,568
Pulp and paper products.....	16,279
Lumber and wood products.....	83,307
Minca barges.....	170
Signals equipment.....	588
Asbestos.....	7,248
Catalina aircraft.....	units 54

Expenditure in Canada during the fiscal year 1944-45, and during the previous years were:

	MILLIONS OF DOLLARS		
	1943-44	1944-45	Total
Aircraft and parts.....	\$.742	\$11.339	\$12.081
Automotive equipment and mechanical transport.....	.556	16.849	17.405
Armoured vehicles.....	—	.427	.427
Chemicals and explosives.....	.102	.153	.255
Guns and small arms.....	.001	.405	.406
Shells and ammunition.....	.005	—	.005
Merchant vessels, construction.....	1.300	1.302	2.602
Cloths, clothing and fabrics.....	—	.344	.344
Electrical, radio and telephone equipment.....	—	.187	.187

	MILLIONS OF DOLLARS		
	1943-44	1944-45	Total
Lumber and heavy material.....	\$ 2.500	\$ 1.638	\$ 4.138
Machine tools and heavy equipment.....	—	.251	.251
Small tools, stores and miscellaneous.....	1.288	.580	1.868
Aluminum.....	.001	.006	.007
Other base metals.....	.211	.387	.598
Freight, inland and ocean.....	.600	5.337	5.937
Fish.....	—	.008	.008
Fish oil.....	—	.065	.065
Asbestos.....	—	.880	.880
Potassium chlorate.....	—	.013	.013
Sulphate of ammonia.....	—	.398	.398
Cotton duck.....	—	.133	.133
Sodium chlorate.....	—	.014	.014
Miscellaneous.....	—	.238	.238
B.C.A.T.P. payments.....	13.652	13.934	27.586
TOTAL EXPENDITURES (millions of dollars).....	\$20.958	\$54.888	\$75.846

AUSTRALIA
MUTUAL AID EXPENDITURES TO MARCH 31ST 1945



NEW ZEALAND

First Mutual Aid shipments to New Zealand began in July, 1944, immediately following the signing at Ottawa of a Mutual Aid agreement between the two countries.

Although New Zealand did not participate in Mutual Aid until this late date, considerable quantities of goods have already been ordered and shipped and many services rendered under the agreement.

New Zealand troops have been in action on European battlefields since 1940. In addition, the Japanese war has made New Zealand an important Pacific base for the Allies. The Royal New Zealand Navy forms part of the A.N.Z.A.C. force which is now operating throughout the Pacific war theatre. Mutual Aid to New Zealand is supporting an Ally which has been in the forefront of the fight against a common enemy.

New Zealand air crew and ground personnel are in action in Europe, throughout the Solomons and the Pacific Islands to the north. Mutual Aid made available to New Zealand the facilities of the British Commonwealth Air Training Plan, and a large number of R.N.Z.A.F. personnel received their training under the plan.

The most important items so far supplied to New Zealand have been 34 Catalina aircraft for patrol use in South Pacific waters.

Vehicles and parts are being shipped to New Zealand under Mutual Aid, to assist in maintaining a transportation system taxed to the utmost in keeping food and munitions moving for overseas shipment. (New Zealand is supplying large quantities of food to the Allied fighting forces as well as shipments to the United Kingdom).

New Zealand has depended largely on Canada for her requirement of communications equipment. Radar, tubes, wire cable and insulators are among the items.

The severe drought in Australia has forced New Zealand to look elsewhere for this year's requirements of wheat. Shipment from Canada has already begun on a Mutual Aid order of 3,000,000 bushels.

Goods shipped to New Zealand under Mutual Aid are carried in vessels owned and manned by Canadians. The cost of this service is assumed by Mutual Aid. Mutual Aid shipments to New Zealand during the fiscal year 1944-45 were:

Commodity	Short tons
Aircraft and spare parts	32.1
Automotive equipment and mechanical transport	882.8
Armoured vehicles	129.3
Chemicals and explosives	1,904.3
Guns and small arms . . . . .	.3
Naval vessels and equipment	9.8

<i>Commodity</i>	<i>Short tons</i>
Miscellaneous stores and supplies.....	249.2
Lumber and products.....	8.4
Asbestos.....	969.3

Mutual Aid Expenditures from July, 1944, to March 31, 1945, comprise the following main categories:

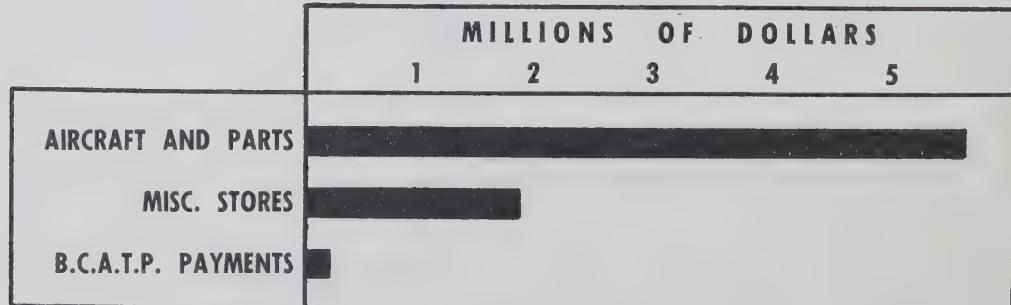
MUTUAL AID EXPENDITURE

	MILLIONS OF DOLLARS
1944-45	
Total	
Aircraft and parts.....	\$5.595
Automotive equipment and mechanical transport.....	.388
Chemicals and explosives.....	.051
Naval vessels and equipment.....	.016
Cloths, clothing and fabrics.....	.157
Electrical, radio and telephone equipment.....	.160
Lumber and heavy materials.....	.007
Small tools, stores and miscellaneous.....	.017
Locomotive and railway rolling stock.....	.003
Freight, inland and ocean.....	.104
Wheat.....	.963
Asbestos.....	.074
Fertilizer.....	.035
B.C.A.T.P. payments.....	.226
TOTAL EXPENDITURES.....	\$7.796

NEW ZEALAND

MUTUAL AID EXPENDITURES TO MARCH 31st 1945

(9 MONTHS ONLY)



CHINA

As Allied fighting strength shifts to the far East, support for the Chinese war effort becomes of increasing importance.

The problem of sending supplies to China, which for eight years has been putting up an unrelenting fight against great odds, is basically one of transportation. The closing of the Burma Road and the Chinese seacoast compelled the Allies to rely upon air transport over the mountains from India. Substantial quantities of Canadian war munitions and portable equipment have been sent by this hazardous route, the Allies' longest aerial supply line.

Equipment shipped into China in this way consisted of complete and portable units, ready to go into action as soon as received. For example, six-pounder guns were capable of immediate use on arrival.

Canadian 9-mm. Browning high velocity pistols have been sent to China under Mutual Aid. Quantities of the 7.92 Bren machine gun, developed and manufactured in Canada, also were sent. All parts of this Bren gun, as well as the Browning pistol, are interchangeable.

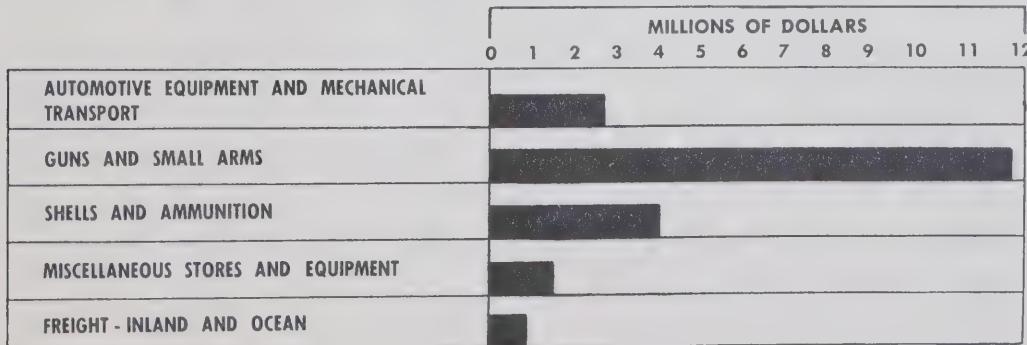
Aid to China during the year under review, amounting to \$17,654,000, was substantially greater than in the previous year.

Main war items supplied to China during the fiscal year 1944-45 were: Six-pounder guns and ancillary equipment, anti-aircraft guns, machine guns, machine carbines, automatic pistols, binoculars, signals and wireless equipment, vehicles.

The value of shipments for the two fiscal years just passed, and the cumulative total:

	MILLIONS OF DOLLARS		
	1943-44	1944-45	Total
Automotive equipment and mechanical transport	\$.159	\$ 2.342	\$ 2.501
Armoured vehicles . . . . .	.093	.052	.145
Guns and small arms . . . . .	.364	11.963	12.327
Shells and ammunition	2.346	1.584	3.930
Electrical, radio and telephone equipment . . . . .	.564	.343	.907
Small tools, stores and miscellaneous . . . . .	.011	.621	.632
Freight, inland and ocean	—	.399	.399
Chartering of vessels	—	.350	.350
TOTAL EXPENDITURES	\$3.537	\$17.654	\$21.191

CHINA MUTUAL AID EXPENDITURES TO MARCH 31ST 1945



F R A N C E

Mutual Aid has had its part to play in the liberation and re-establishment of France. Goods and services provided to France under Mutual Aid during the past year amounted to about \$17,552,000.

Machinery and supplies needed for refitting the French Navy were shipped. These included anti-aircraft guns, machine guns, rifles, mortars, ammunition, blankets, clothing and personal equipment, metals, workshop tools, machine tools, hand tools, and military vehicles.

The French Army, which for many months has again demonstrated its valor and efficiency on the battlefields of Europe, received considerable quantities of Canadian supplies. Military trucks, metals, chemicals, equipment, clothing, machine carbines, motorcycles and bicycles, tools and photographic supplies, were among the stores shipped.

Other Mutual Aid goods have been supplied to re-establish the hard-hit civilian economy of France. Six shiploads of Canadian wheat were shipped to North Africa when a crop failure occurred. Raw materials, oxygen-producing equipment, and other Mutual Aid supplies also were sent to the French fighting forces in that area. French trawlers have been repaired and provisioned at eastern Canadian ports.

Shipments to France in the year under review were:

FRENCH (NAVY)

Shipments to March 31, 1945.	Tons
Metals.....	50
Workshop tools.....	11
Chemicals.....	94
Printing and stationery.....	91
Electrical equipment.....	30
Automotive vehicles.....	58
Guns and accessories.....	365
Miscellaneous.....	86
Ammunition.....	1,085
Machinery and accessories.....	19
Clothing and equipment.....	308
Hand tools.....	42

FRENCH (ARMY)

Clothing and equipment.....	2,814
Miscellaneous.....	192
Automotive vehicles.....	1,201
Hand tools.....	153
Metals.....	122
Photographic stores.....	2
Chemicals.....	44
Ammunition.....	51
Guns and accessories.....	127

FRENCH (CIVILIAN)

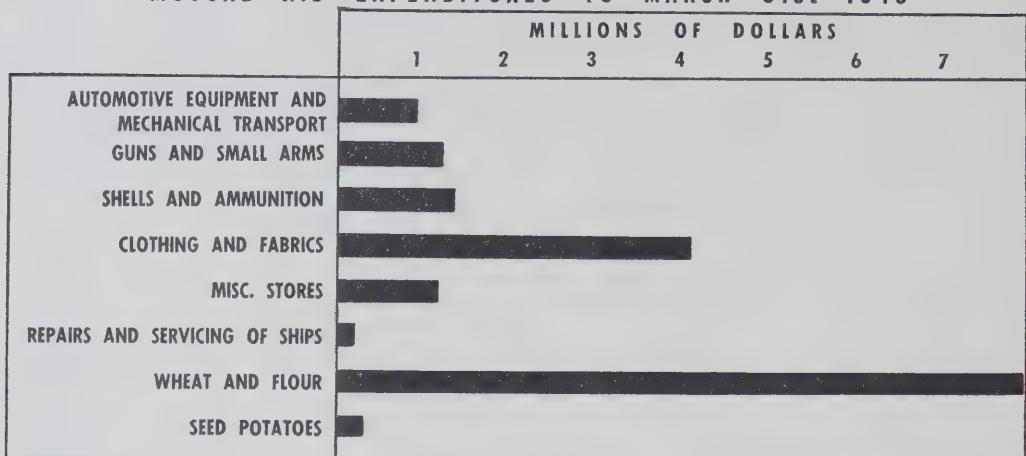
Chemicals and fertilizer	110
Asbestos	1,110
Agriculture equipment	342
Machinery	89
Miscellaneous stores and supplies	308
Miscellaneous foodstuffs	25

Mutual Aid expenditures during the year ended March 31, 1945, were as follows:

	MILLIONS OF DOLLARS
	1944-45
	Total
Automotive equipment and mechanical transport	\$1.022
Chemicals and explosives . . . . .	.010
Guns and small arms	1.268
Shells and ammunition	1.314
Naval vessels and equipment . . . . .	.179
Cloth, clothing and fabrics	4.193
Electrical, radio and telephone equipment . . . . .	.056
Lumber and heavy materials . . . . .	.016
Machine tools and heavy equipment . . . . .	.066
Small tools, stores and miscellaneous . . . . .	.768
Base metals . . . . .	.020
Freight, inland and ocean . . . . .	.045
Wheat	7.724
Flour . . . . .	.241
Bags, paper and miscellaneous . . . . .	.091
Seed potatoes . . . . .	.326
Repairs and servicing to ships . . . . .	.213
 TOTAL EXPENDITURES	 \$17.552

Establishment of a French Supply Mission at Ottawa on July 1, 1944, has greatly simplified the procurement procedure, and facilitated overseas shipment. First negotiations for Mutual Aid to France began in July, 1943, when the Canadian government informed the French Committee of National Liberation as to Canada's willingness to furnish supplies. Discussions were held at Ottawa with delegates from the French Navy and Army. When the nature, extent and essentiality of French needs had been established, the Mutual Aid Board took steps to make supplies available with all possible speed. A formal agreement between Canada and the French Committee was signed at Ottawa on April 14, 1944, but substantial shipments were already being made by that time, and shipments to the French Provisional Government continue to go forward.

FRANCE
MUTUAL AID EXPENDITURES TO MARCH 31st 1945



INDIA

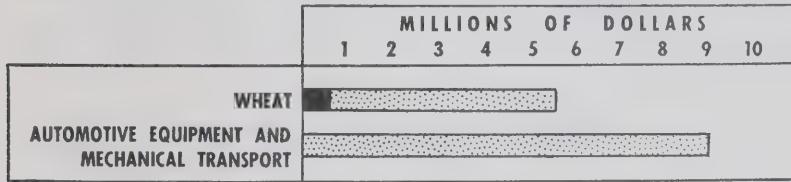
Under the Mutual Aid agreement with India, military vehicles and wheat have been contributed to the war effort of that country. These goods were shipped largely in vessels owned and operated by Canada.

The military vehicles were required to equip the Indian Army. The wheat was to feed the Indian people at a time of need.

Although these two commodities comprise Canada's direct Mutual Aid to India, a very substantial part of the military and communications equipment being used by British forces in India and Burma was made in Canadian laboratories and factories. The United Kingdom has undertaken to maintain and supply Indian forces fighting outside of India, and some Mutual Aid material is being used for this purpose.

The value of military vehicles shipped totalled \$9,088,000. The total amount of wheat made available to date is 3,730,000 bushels with a value of \$5,575,000.

INDIA MUTUAL AID EXPENDITURES TO MARCH 31st 1945



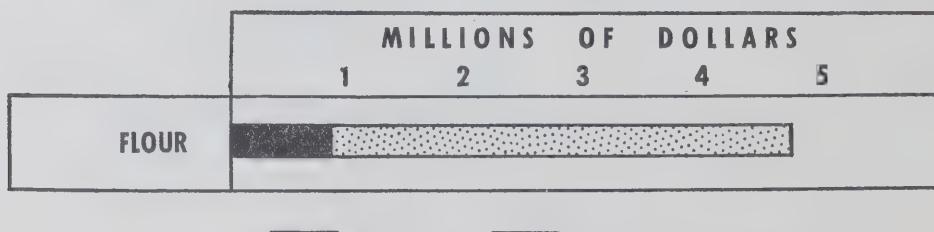
1943-44 1944-45

BRITISH WEST INDIES

Canada has enjoyed close relations with the West Indies since long before the war. Under war conditions, these colonies still look to Canada for their supply of a number of essential foodstuffs. Canada's responsibility as a source of supply for them is recognized by the Combined Food Board.

The Mutual Aid Board, therefore, has continued to provide a substantial quantity of Canadian flour to the West Indies as Mutual Aid. The flour was allocated between the colonies in proportion to their population. Flour was considered to be much the most appropriate form for this aid to take, because all the colonies require flour from Canada, and it is one of the most essential of all items. The total amount of flour being made available in this way is 1,398,947 bags at a cost of \$4,756,000.

BRITISH WEST INDIES MUTUAL AID EXPENDITURES TO MARCH 31st 1945



UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION (UNRRA)

An additional task taken on by the Mutual Aid administration during the year under review was the procurement of Canadian supplies for the United Nations Relief and Rehabilitation Administration.

Canada is a full participating member of UNRRA. Her contribution to the UNRRA pool of funds has been paid out of the appropriation voted by Parliament for Mutual Aid operations during the fiscal years 1943-44 and 1944-45. Total Canadian contribution amounted to \$77,000,000, or slightly more than 1% of the Canadian national income during the year ended June 20, 1943. Only 10% of this contribution was actually in funds expendable outside Canada, the remaining 90% being provided in the form of credit on which UNRRA may draw for Canadian goods and services.

An UNRRA procurement division of the Mutual Aid administration was set up on May 1, 1944. In instituting this new division, the principle which has guided the Mutual Aid Board in its operations continued to be followed: no new governmental machinery was to be added unless absolutely necessary. UNRRA supplies in Canada are procured through the same agencies as Mutual Aid supplies. The chief job of the UNRRA procurement division has been one of liaison between the Canadian agencies concerned, the Combined Boards at Washington and other interested Allied agencies.

Already UNRRA has purchased a large quantity of Canadian supplies. These UNRRA purchases include fish, wheat, meat, seeds, lard, powdered milk, and many other food items. Trucks, agricultural implements, portable power units, clothing, footwear, leather and textiles also will be purchased.

Canada's sales to UNRRA during the past fiscal year:

WASHINGTON ADMINISTRATION EXPENSE FUND

MILLIONS OF DOLLARS

Canadian contribution to UNRRA Washington.....	\$ 7.645
Held in reserve for further contributions	2.355
TOTAL.....	\$10.000

WHEAT FUND

Purchases to date.....	\$6.813
Estimated freight, etc.....	1.600

Balance for future purchases.....	\$8.413
	7.587
TOTAL.....	\$16.000

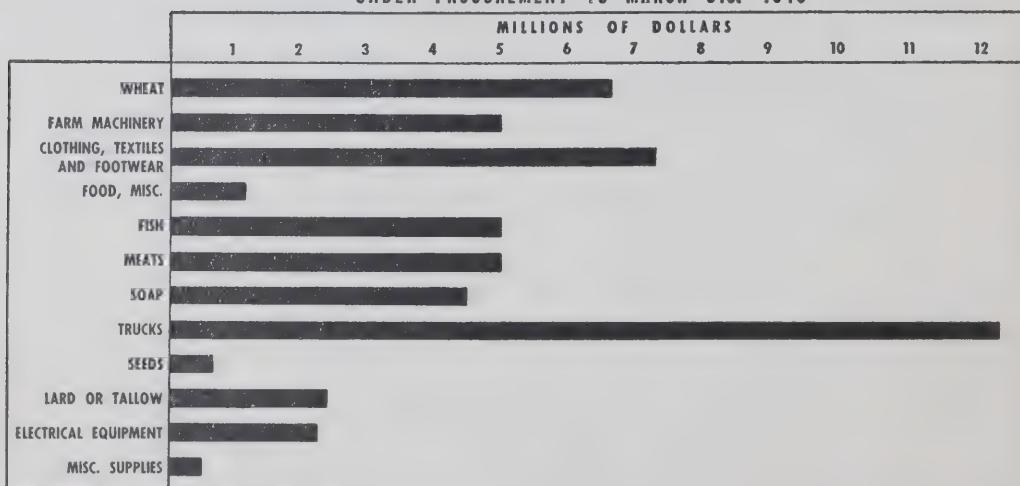
MILLIONS OF DOLLARS

GENERAL FUND

Farm machinery.....	\$ 4.967
Clothing, textiles and footwear.....	7.316
Miscellaneous foodstuffs.....	1.148
Soap.....	4.600
Fish.....	4.980
Medical supplies.....	.096
Trucks.....	12.239
Seeds.....	.702
Meat.....	4.997
Lard and tallow.....	2.427
Powdered and skimmed milk.....	.109
Electrical equipment.....	2.323
Film and film services.....	.050
Miscellaneous supplies.....	.358
Inland and ocean freight.....	4.688
 TOTALS.....	 \$51.000
 TOTAL UNRRA ALLOTMENT.....	 \$77.000

SUMMARY OF EXPENDITURES

Department of Trade and Commerce.....	\$.176
Canadian Export Board.....	3.272
UNRRA Washington.....	7.645
 TOTAL EXPENDITURE TO DATE.....	 \$11.093

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
UNDER PROCUREMENT TO MARCH 31st 1945

The foregoing chapters comprise the main body of this report, which is dated March 31, 1945. The following two chapters were prepared after the cessation of hostilities in Europe, which was officially declared on May 8, 1945.

MILITARY RELIEF

Since the termination of the period covered by this report, the Mutual Aid Board has taken over the finance and procurement in Canada of supplies required for purposes of Military Relief in Europe. When it became clear that the military forces of the United States, the United Kingdom and Canada would, in the course of their invasion of Europe, be obliged to provide foodstuffs and other supplies for the civilian population in order to avoid unrest which would interfere with military operations, an arrangement was made by the three Governments concerned under which each Government undertook to finance, in the first instance, the procurement of those supplies for which it was designated as a source. In due course each country, the inhabitants of which have received the benefit of supplies furnished in this way, will be presented with a bill covering the landed cost of the supplies in question. Such losses as may be sustained by the supplying countries as a result of providing these supplies are to be shared among them in agreed proportions. The Canadian share will be roughly proportionate to Canada's participation in the invasion as measured by an estimate of the number of troops engaged. In the natural course of things, the military relief operations have been in some cases, and will be in others, succeeded by direct procurement by the countries which can finance their own supplies and by procurement through UNRRA for those countries which are an UNRRA responsibility.

At the time of the preparation of this report the Mutual Aid Board has undertaken to purchase and ship the following military relief supplies: 522,169 tons of wheat; 2,953 tons of seed corn; 5,186 tons of evaporated milk; 669 tons of lard; 2,970 tons of soap; 1,925 tons of fish; 8,734 tons of newsprint; 1,221 tons of calcium carbide; 4,052 tons of binder twine; 8 tons of candles; 913 one-horse walking plows; and 6,566 trucks and other vehicles. These supplies have an estimated value, including transportation charges to destination, of \$80,926,543.75.

CONCLUSION

As the war enters its second phase with the unconditional surrender of the enemy in Europe, the demands on Allied military and economic strength remain heavy. If these demands are not met, the advances which have been won at great cost will be in jeopardy.

Two great projects now engage the attention of the United Nations; first, the job of defeating Japan—a heavy task. And even while this is being accomplished the other great work of reconversion from a wartime to a peacetime economy must be undertaken, both at home and abroad.

For more than seven years the Japanese nation of 70,000,000 fanatical people has been at war. Their soldiers—skilled, tough fighters—prefer death to capture. They hold strong positions on the Chinese mainland and on many islands throughout the Pacific, as well as their own land. To force an unconditional surrender from this enemy will require the swift building up of a preponderance of land, sea and air power. The need for bringing overwhelming Allied military and production forces to bear against the enemy in the Pacific is no less necessary than it was in Europe, if final victory is to be gained.

There is a continuing need for great supplies of munitions and equipment of special types. There is a need for food. Mutual Aid must continue to be the channel for Canadian aid to her Allies in the forefront of this war and particularly to those devoting a large part of their own production to this phase of the war.

There is a second, domestic aspect of Mutual Aid which Canadians will wish to bear in mind. Much of Canada's effort in the war has been in production—both in making war supplies and in supplying the extra food and raw materials which our Allies need as the basis of their own efforts in the war. Mutual Aid has made possible the full and effective use of this effort. Now that victory in Europe has been achieved, there will be some immediate reduction, and a gradual decrease, in the war supplies required from Canada by her Allies, but a substantial proportion of such supplies will continue to be needed in the form of Mutual Aid. By permitting this step-by-step decrease in our war production—similar to the step-by-step decreases in Britain and the United States—rather than a sudden and sharp termination, Mutual Aid will make it possible to demobilize Canadian war workers over a period of time as well as Canadian service men, and thereby will help avert unemployment and dislocation in the transition to post-war conditions. In this second phase of the war, as in the first, Mutual Aid will make it possible for Canadian farmers and Canadian workers to participate effectively in helping to defeat the enemy. It will enable Canada's total participation in this phase of the war to be adapted to Canadian circumstances and, in particular, it will enable advantage to be taken of the immense productive power which Canada has developed.

Mutual Aid includes the aid furnished to liberated countries through the United Nations Relief and Rehabilitation Administration. The European operations of this great humanitarian organization have only recently commenced on a large scale, because the initial needs for relief were handled by the military authorities as part of their essential operations. Now that hostilities are over, the military authorities are tapering off relief activities as rapidly as possible and UNRRA is taking up the huge tasks for which it was brought into existence—caring for the millions of displaced persons still homeless or far from home, and providing relief and some measure of rehabilitation in those countries which are not able to provide for themselves from their own resources. The success of UNRRA in promptly giving aid in these forms will determine to a large extent how rapidly the tired and war-ravaged peoples released from German domination can again become active and responsible members of the world community.

Canada cannot achieve a high level of employment and living standards after the war without a flourishing international trade. Canada, therefore, has a keen interest in the early revival and development of commerce among nations. Mutual Aid has been and will continue to be a powerful instrument in assuring victory to the Allied cause. It is also enabling that victory to be won without the creation of huge inter-Allied debts which would impede the post-war trade which victory will make possible. The spirit and effects of Mutual Aid will be a strong support in the development of a flourishing and mutually beneficial trade between nations when final victory has been achieved.

APPENDIX I

An Act for granting to His Majesty aid for the purpose of making available Canadian War Supplies to the United Nations.

(Assented to 20th May, 1943.)

Preamble

Whereas Canada, in association with other nations, is at war with Germany, Italy, Japan and their associates; and whereas it is essential to the defence and security of Canada and to the cause of world freedom that Canada should make the utmost contribution to the victory of the United Nations; and whereas it is necessary that the products of Canadian war industry be made available not only for use by Canadian forces, but also to other United Nations, in accordance with strategic needs, in such manner as to contribute most effectively to the winning of the war; and whereas it is expedient that the conditions upon which Canadian war supplies are made available to other United Nations should not be such as to burden post-war commerce or lead to the imposition of trade restrictions or otherwise prejudice a just and enduring peace: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

Short Title

1. This Act may be cited as *The War Appropriation (United Nations Mutual Aid) Act*, 1943.

Definitions

2. In this Act and in any regulation made thereunder, unless the context otherwise requires:

“Board”

(a) “Board” means the Canadian Mutual Aid Board constituted by section three of this Act;

“Regulation”

(b) “regulation” means a regulation made under the authority of section six of this Act;

“United Nations”

(c) “United Nations” means the signatories to the Declaration by United Nations, done at Washington on the first day of January, one thousand nine hundred and forty-two, and includes any other nation or authority which may be designated by the Governor in Council as being associated with Canada in the prosecution of the present war;

“War Supplies”

(d) “war supplies” means

(i) any weapon, munition, aircraft or ship;

(ii) any machinery, facility, tool, material or supply necessary for the manufacture, production and processing, repair, servicing or operation of any article described in this paragraph;

(iii) any component material or part of or equipment for any article described in this paragraph;

(iv) any agricultural product; and

(v) such other commodities, articles or services as may from time to time be designated by the Governor in Council as essential to the conduct of the war or to the relief and maintenance of any United Nation.

Canadian Mutual Aid Board

3. (1) There shall be a Board to be called the Canadian Mutual Aid Board consisting of the Minister of Munitions and Supply, the Minister of National Defence, the Minister of Finance, the Minister of Agriculture and the Minister of Justice, acting as a committee of the King's Privy Council for Canada, which shall be charged with the administration of this Act.

Chairman

(2) The Minister of Munitions and Supply shall be the chairman of the Board.

Officers, Clerks and Employees

(3) The Board, with the approval of the Governor in Council, may appoint and fix the remuneration of such officers, clerks and other employees as are necessary for the proper conduct of its business and for that purpose may require the services of any department or agency, or of any officer or employee of any department or agency, of the Government of Canada.

Board May Make War Supplies Available to the United Nations

4. (1) The Board may, on behalf of His Majesty, in accordance with the strategic needs of the war, contribute, exchange, deliver, transfer title to or possession of or otherwise make available war supplies to any of the United Nations other than Canada and for that purpose or as incidental thereto may cause to be purchased or otherwise acquired or procured war supplies in Canada through the agency of the Minister of Munitions and Supply or any other agency of His Majesty and, subject to the provisions of section five of this Act, may provide or make available the funds required to pay expenditures incurred in carrying out the purposes described herein.

Consideration

Terms and Conditions to be Approved by the Governor in Council

(2) It shall be good and sufficient consideration for making war supplies available to any of the United Nations hereunder that the said war supplies are to be used in the joint and effective prosecution of the war, but no war supplies shall be so made available to any of the United Nations except upon terms and conditions approved by the Governor in Council or by regulations, and the Governor in Council may require, in respect of specific classes of supplies or any specific transfer of supplies under subsection one of this section, such payment or repayment in kind or property or such reciprocal action or provision of supplies or such other direct or indirect benefit as the Governor in Council deems appropriate.

\$1,000,000,000 May be Paid Out of the C.R.F.

5. There may be paid out of the Consolidated Revenue Fund, for the purposes of this Act, a sum or sums not exceeding one thousand million dollars (\$1,000,000,000) exclusive of any sums paid for war supplies for which payment shall be made in cash by any of the United Nations to which such supplies shall be made available hereunder.

Regulations

6. The Governor in Council may, on the recommendation of the Board, make regulations for the purpose of carrying out the objects of this Act, according to its true intent and purpose, and, in particular, but without limiting the generality of the foregoing, may make regulations:

- (a) prescribing the terms and conditions under which war supplies may be made available to any of the United Nations;
- (b) prescribing the procedure to be followed by the Board in carrying out its duties under this Act;
- (c) prescribing rules to determine the value of war supplies.

7. (1) The Governor in Council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament by any Act heretofore passed, raise by way of loan, under the provisions of *The Consolidated Revenue and Audit Act, 1931*, by the issue and sale or pledge of securities of Canada in such form, for such separate sums, at such rate of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of money, not exceeding in the aggregate the sum of one thousand million dollars (\$1,000,000,000) as may be required for the purposes of this Act.

Charge upon Consolidated Revenue Fund

(2) The principal raised by way of loan under this Act and the interest thereon shall be a charge upon and payable out of the Consolidated Revenue Fund.

Annual Report to Parliament; Proviso

8. As soon as practicable after the close of each fiscal year, the Board shall prepare and lay before Parliament a report of operations under this Act: Provided that such report shall not contain any information the disclosure of which would, in the opinion of the Governor in Council, be prejudicial to the security of Canada or of any other United Nation.

APPENDIX II

An Act to amend *The War Appropriation (United Nations Mutual Aid) Act, 1943*, and for granting to His Majesty Aid for the purposes of the said Act.

(Assented to 23rd June, 1944.)

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. This Act may be cited as *The War Appropriation (United Nations Mutual Aid) Act, 1944*.

2. Paragraph (d) of section two of *The War Appropriation (United Nations Mutual Aid) Act, 1943*, chapter seventeen of the statutes of 1943-44, is amended by deleting the word "and" at the end of subparagraph (iv) thereof, inserting the word "and" after subparagraph (v) and adding the following subparagraph thereto:—

"(vi) commodities, services and equipment required by the United Nations Relief and Rehabilitation Administration."

3. Subsection one of section three of the said Act is repealed and the following substituted therefor:—

"3. (1) There shall be a Board to be called the Canadian Mutual Aid Board consisting of the Minister of Munitions and Supply, the Minister of National Defence, the Minister of Finance, the Minister of Agriculture, the Minister of Justice, and the Minister of Trade and Commerce acting as a committee of the King's Privy Council for Canada, which shall be charged with the administration of this Act."

4. Section four of the said Act is repealed and the following substituted therefor:—

"4. (1) The Board may on behalf of His Majesty, in accordance with the strategic needs of the war or to facilitate the securing of a just and enduring peace, contribute, exchange, deliver,

transfer title to or possession of or otherwise make available war supplies to any of the United Nations other than Canada or to the United Nations Relief and Rehabilitation Administration and for that purpose or as incidental thereto may cause to be purchased or otherwise acquired or procured war supplies in Canada through the agency of the Minister of Munitions and Supply or any other agency of His Majesty and, out of monies appropriated for the purpose, may provide or make available the funds required to pay expenditures incurred in carrying out the purposes described herein.

(2) It shall be good and sufficient consideration for making war supplies available under subsection one of this section that the said war supplies are to be used in the joint and effective prosecution of the war or the securing of a just and enduring peace, but no war supplies shall be so made available to any of the United Nations except upon terms and conditions approved by the Governor in Council or by regulations, and the Governor in Council may require, in respect of specific classes of supplies or any specific transfer of supplies under subsection one of this section, such payment or repayment in kind or property or such reciprocal action or provision of supplies or such other direct or indirect benefit as the Governor in Council deems appropriate."

5. In addition to any other sums appropriated therefor, there may be paid out of the Consolidated Revenue Fund, for the purposes of *The War Appropriation (United Nations Mutual Aid) Act, 1943*, a sum or sums not exceeding eight hundred million dollars (\$800,000,000) exclusive of any sums paid for war supplies for which payment shall be made in cash by the United Nations Relief and Rehabilitation Administration or any of the United Nations to which such supplies shall be made available under the said Act.

6. (1) The Governor in Council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament by any Act heretofore passed, raise by way of loan, under the provisions of *The Consolidated Revenue and Audit Act, 1931*, by the issue and sale or pledge of securities of Canada in such form, for such separate sums, at such rate of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of money not exceeding in the aggregate the sum of eight hundred million dollars (\$800,000,000) as may be required for the purposes of *The War Appropriation (United Nations Mutual Aid) Act, 1943*.

(2) The principal raised by way of loan under this Act and the interest thereon shall be a charge upon and payable out of the Consolidated Revenue Fund.

APPENDIX III

AGREEMENT BETWEEN THE GOVERNMENTS OF CANADA AND THE UNITED KINGDOM ON THE PRINCIPLES APPLYING TO THE PROVISION BY CANADA OF CANADIAN WAR SUPPLIES TO THE UNITED KINGDOM UNDER THE WAR APPROPRIATION (UNITED NATIONS MUTUAL AID) ACT OF CANADA 1943

Signed at Ottawa, February 11, 1944

Whereas Canada and the United Kingdom are associated in the present war, and

Whereas it is desirable that war supplies should be distributed among the United Nations in accordance with strategic needs of the war and in such manner as to contribute most effectively to the winning of the war and the establishment of peace, and

Whereas it is expedient that the conditions upon which such war supplies are made available by one United Nation to another should not be such as to burden post-war commerce, or lead to the imposition of trade restrictions or otherwise prejudice a just and enduring peace, and

Whereas the Governments of Canada and the United Kingdom are mutually desirous of concluding an agreement in regard to the conditions upon which Canadian war supplies will be made available to the United Kingdom,

The Undersigned, being duly authorized by their respective Governments for the purpose, have agreed as follows:—

Article I

The Government of Canada will make available under the War Appropriation (United Nations Mutual Aid) Act of Canada, 1943, to the Government of the United Kingdom such war supplies as the Government of Canada shall authorize from time to time to be provided.

Article II

The Government of the United Kingdom will continue to contribute to the defence of Canada and the strengthening thereof and will provide such articles, services, facilities or information as it may be in a position to supply and as may from time to time be determined by common agreement in the light of the development of the war.

Article III

The Government of the United Kingdom will, in support of any applications to the Government of Canada for the provision of war supplies under this agreement, furnish the Government of Canada with such relevant information as the Government of Canada may require for the purpose of deciding upon the applications and for executing the purposes of this agreement.

Article IV

The Government of the United Kingdom agrees to use any war supplies delivered to it under this agreement in the joint and effective prosecution of the war.

Article V

The Government of the United Kingdom will not without the consent of the Government of Canada sell to any other Government or to persons in other countries war supplies delivered to it under this agreement.

Article VI

The Government of Canada will not require the Government of the United Kingdom to re-deliver to the Government of Canada any war supplies delivered under this agreement except as specifically provided in Articles VII and VIII and subject to any special agreement which may be concluded in the circumstances contemplated in Article IX.

Article VII

Title to any cargo ships delivered under this agreement will remain with the Government of Canada and the ships shall be chartered to the Government of the United Kingdom on terms providing for their re-delivery.

Article VIII

Upon the cessation of hostilities in any major theatre of war, any war supplies which have been transferred to the Government of the United Kingdom under this agreement and are still in Canada or in ocean transit shall revert to Canadian ownership, except those supplies destined for a theatre of war in which hostilities have not ceased or supplies made available for relief purposes or such other supplies as the Government of Canada may specify.

Article IX

The Government of Canada reserves the right to request:

(a) the delivery, after the cessation of hostilities in any theatre of war, for relief and rehabilitation purposes, to another United Nation or to an international organization, of automotive equipment supplied under this agreement;

(b) the transfer to Canadian forces serving outside Canada after the cessation of hostilities of vehicles, aircraft, ordnance or military equipment supplied under this agreement to the Government of the United Kingdom if such war supplies are required for the use of such Canadian forces and are not required by the Government of the United Kingdom for military operations; and

(c) the return to Canada after the war, if required in Canada for Canadian purposes, of aircraft and automotive equipment supplied under this agreement which may still be serviceable, due regard being had to the degree of wastage likely to have been suffered by these articles, provided that when the identity of such Canadian equipment has been lost as a result of pooling arrangements or for other reasons, the Government of the United Kingdom may substitute equipment of a similar type.

The Government of the United Kingdom agrees to use its best endeavours to meet any such requests on such reasonable terms and conditions as shall be settled in consultation with the Government of Canada.

Article X

The Governments of Canada and the United Kingdom re-affirm their desire to promote mutually advantageous economic relations between their countries and throughout the world. They declare that their guiding purposes include the adoption of measures designed to promote employment, the production and consumption of goods, and the expansion of commerce through appropriate international agreements on commercial policy, with the object of contributing to the attainment of all the economic objectives set forth in the Declaration of August 14th, 1941, known as the Atlantic Charter.

Article XI

This agreement will take effect as from this day's date. It shall apply to war supplies furnished to the Government of the United Kingdom by the Government of Canada under the authority of the War Appropriation (United Nations Mutual Aid) Act of Canada, 1943, or substituted Act, including supplies furnished under the said Act before the conclusion of this agreement. It shall continue in force until a date to be agreed upon by the two Governments.

Dated at Ottawa, this eleventh day of February, nineteen hundred and forty-four.

Signed for and on behalf of the Government of Canada

W. L. MACKENZIE KING.
C. D. HOWE.

Signed for and on behalf of the Government of the United Kingdom

MALCOLM MacDONALD.

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